

UTAH STATE OFFICE OF EDUCATION

Leadership... Service... Accountability

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February 1, 2005

Leonard M. Blackham
P.O. Box 337
Moroni, UT 84646

Ron Bigelow
4658 Water Wood Dr.
West Valley City, UT 84120

Re: FTE Employment

Dear Senator Blackham and Representative Bigelow:

Last September, the Executive Appropriations Committee asked the State Board to develop a common definition of full-time equivalent (FTE) employment to be adopted by all school districts and charter schools. The committee also asked that the State Office collect data using the new definition beginning in FY 2005 both retrospectively for each of the past five years, as well as prospectively.

The State Board requested the Utah Association of School Business Administrators' Accounting and Reporting Practices Committee to look at the issue and come up with a recommended FTE definition. The Accounting and Reporting Practices Committee met in December but did not finalize a recommended FTE definition.

Based upon the discussions with the committee, the State Office has recommended that the State Board adopt in rule the following FTE definitions:

Licensed Employees

Current Year Estimates:

1.0 FTE = Total hours contracted to be employed during school year divided by 1440 hours

Year End (Actual FTE Counts):

1.0 FTE = Total hours actually employed during school year divided by 1440 hours

Justification of "1440" Criterion:

1440 hours = 180 days of instruction (statutory minimum for school year) times 8 hours of work per day (standard length of work day for state government employees)

Licensed employees teaching additional periods over the district/charter standard or teaching a full year in a year round school may exceed 1.0 FTE up to 1.3 FTEs.

Classified Employees

$1.0 \text{ FTE} = (\text{work hours} + \text{paid leave for pay period}) \text{ divided by } (8 \text{ hours per day multiplied by the number of weekdays in pay period})$

An employee FTE count will be made at the end of April of each calendar year. Each district and charter school will calculate FTE for each employee based upon the first pay period in April.

Example:

Use the number of weekdays in the pay period multiplied by 8 hours per day; this will be the denominator for the calculation and called the "Base". Determine the actual work hours plus authorized leave hours for each employee during the pay period. Divide the actual work hours plus leave for each employee by the Base to get the FTE for the employee. (Example: 10 workdays in the pay period, 8 hours standard work day = 80 hours to use as the Base in the calculation. Employee works 80 hours during the pay period. Employee work hours (80) divided by Base hours in the work pay period (80) = 1.0 FTE)

No classified employee can be more than 1.0 FTE.

Probable Impact

The definition for Licensed Employees will increase FTEs from prior years because it allows teachers that are teaching their preparation period and year round teachers to be counted as more than 1.0 FTE. It will also allow principals or district staff members to be counted as 1.0 FTE even if they terminate their contract three months early.

The definition for Classified Employees will probably decrease FTEs for bus drivers and food service employees. However, the definition will allow each district to calculate FTE based upon a pay period instead of based upon the school or calendar work year.

Audit

A plan for auditing FTEs will be developed for pilot implementation during the 2005-06 school year.

Retrospective Application

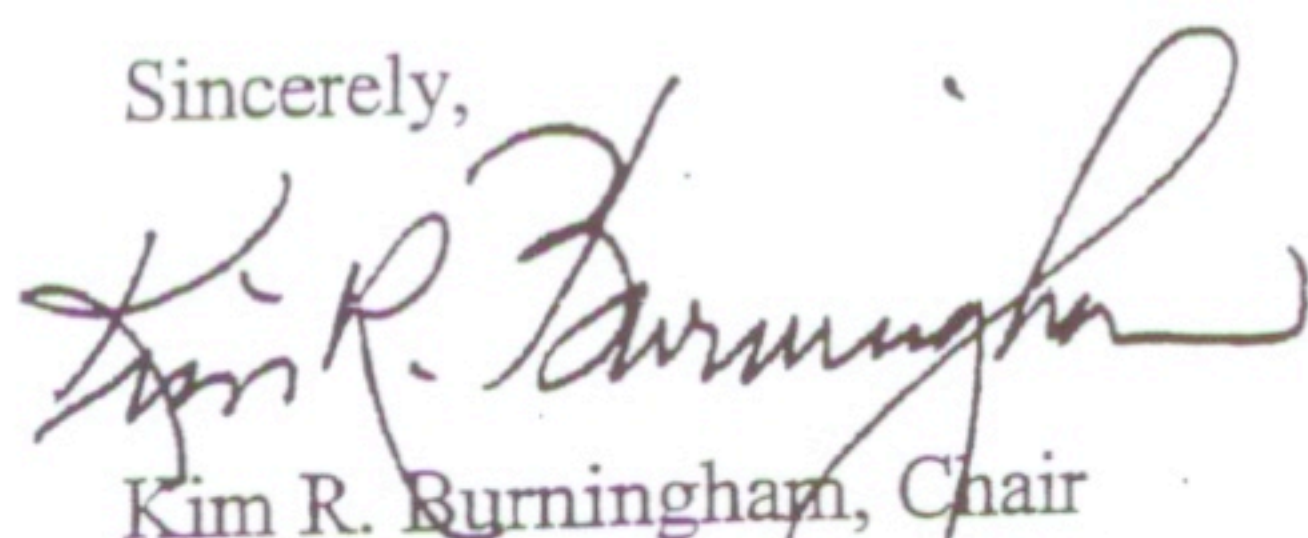
The Executive Appropriations Committee requested the FTE definitions be applied retrospectively. Unfortunately, it has been determined that such an application is not possible. However, UASBO and USOE believe that the use of the final FTE counts under current definitions can be used to accurately ascertain trends within public education.

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I hope this meets the needs expressed by the Executive Appropriations Committee. If not, or if you have any further questions, please do not hesitate to contact Patrick Ogden or Richard Tolley at the Utah State Office of Education, 538-7514 and 538-7670, respectively.

Thank you for all that you do in behalf of Utah's children.

Sincerely,



Kim R. Burningham, Chair
Utah State Board of Education

cc: Rep. Lyle Hillyard
Rep. Curtis Bramble
Sen. Howard Stephenson
Rep. Gordon Snow
Rep. Margaret Dayton
Members of the Executive Appropriations Committee
Members of the Public Education Appropriations Subcommittee
Members of the State Board of Education
Dee Larsen
Connie Steffen
Phil Jeffery
Superintendent Patti Harrington
Associate Superintendent Patrick Ogden
Judy DeWaal
Larry Newton
✓ Richard Tolley